



News Release

PRESS OFFICE

Release Date: March 29, 2010
Release Number: 10-09 FRESNO

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SBA Warns Small Businesses of Fraudulent Attempts Offering to Help Them Secure SBA Loans

WASHINGTON – The U.S. Small Business Administration (SBA) is warning small businesses to use caution if they are contacted by firms offering to help them apply for funds available through SBA programs.

SBA and SBA's Office of the Inspector General (SBA OIG) have received several complaints from small businesses about abusive marketing practices, scams, and exorbitant fees charged by firms offering to help them obtain a loan, grant, or other federal funds, from SBA.

Some of these complaints include:

- Firms charging small businesses high fees to provide assistance applying to SBA funding programs. Some firms allegedly guaranteed that the small business would obtain SBA funding if they paid the fee. SBA does not endorse or give preference to specific private companies or their clients.
- Firms charging small businesses for services never requested after the small business gave bank account and routing information to a caller claiming to be a firm offering assistance. SBA recommends that small businesses never provide social security numbers, bank account information, or credit card numbers to anyone; and, never over the telephone.
- Firms alleging that a small business would be issued a "forfeiture letter" that would make the small business ineligible for any SBA funding for three years if the small business refused to use the firm's services.

When electing to use a third party to apply for SBA funding programs, small businesses should also bear in mind:

- Small businesses can get free assistance in person or by calling one of SBA's 68 District Offices and from information on SBA's Web site (www.sba.gov). They can also get assistance from Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers and SCORE Chapters, either free or for a reasonable fee. Location and contact information for the centers can be found on SBA's Web site.

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- Small businesses should ask for references and confer with trusted colleagues and institutions, such as the Better Business Bureau, when selecting service providers.
- Small businesses should clearly establish and document: 1) What they are being charged; 2) When they will be charged; 3) What they must do; and 4) What services they will receive.

SBA's Office of the Inspector General will investigate and respond to all complaints. SBA encourages anyone with knowledge of a misrepresentation regarding SBA Business Loan Programs, or any other SBA program, to contact SBA OIG by calling the OIG Hotline toll-free at (800) 767-0385, or submitting an online report at the SBA OIG Web page (www.sba.gov/ig), and click the link for "Report Fraud Waste or Abuse."

Anyone who has a question regarding an SBA loan or any SBA program, may contact their local [SBA District Office](#), the [SBA Answer Desk](#) at 1-800-U-ASK-SBA (1-800-827-5722) or e-mail answerdesk@sba.gov.

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